

North Carolina



Conservation Reserve
Enhancement
Program

Annual Report
2008

History of the North Carolina Conservation Reserve Enhancement Program



*“Humankind has not
woven the web of life.
We are but one thread
within it.
Whatever we do to the
web, we do to ourselves.
All things are bound
together.
All things connect.”*

~ Chief Seattle, 1855

On March 1, 1999, U.S. Secretary of Agriculture Dan Glickman and N.C. Governor James B. Hunt signed a Memorandum of Agreement establishing the North Carolina Conservation Reserve Enhancement Program (NC CREP). The goal of the program was to enroll 100,000 acres of environmentally sensitive land within the Chowan, Neuse and Tar-Pamlico river basins, as well as the Jordan Lake watershed area. Establishment of NC CREP provides a voluntary initiative encouraging the enrollment of farmland and marginal pastureland into riparian areas. Practices are designed to reduce nutrient and sediment impacts to stream courses within the targeted area. The end result will have a positive impact on overall water quality within the targeted CREP area.

North Carolina Farm Service Agency (FSA) offices began accepting offers on land for CREP on March 15, 1999. However, the CREP opportunity was limited to those in the eligible river basins. Through local interest and demonstration of environmental need, the program has now expanded to cover 75% of the state. On May 1, 2008, the Lumber, White Oak, Yadkin-PeeDee, Roanoke, Cape Fear and Pasquotank river basins became eligible to participate in CREP. The strong partnership between the FSA, Natural Resources Conservation Service (NRCS), N.C. Division of Soil and Water Conservation (DSWC), Department of Environment and Natural Resources (DENR) provides an extremely efficient mechanism for program delivery and implementation.

The USDA has committed \$187.5 million for rental payments, as well as over \$33.5 million for cost-share payments. The State of North Carolina will spend approximately \$29,250,000 for easement acquisition to extend the protection of federal contracts for 30 years or permanently. Over \$17 million will be expended for practice implementation. Funding for the State’s 20 percent match requirement is obtained from the N.C. Clean Water Management Trust Fund (CWMTF), the NC General Assembly and the N.C. Agriculture Cost Share Program. North Carolina continues to explore additional partners for its CREP.

Though the Division has moved forward with completing suggested program changes, we continue to look for ways to improve the implementation of CREP.

Expanding CREP in North Carolina

The Division of Soil and Water Conservation and its partners took on an aggressive role in changing the outlook of CREP in North Carolina. The changes made in May 2008 to the USDA agreement will provide additional best management practice options, simplify the State Incentive Payment Structure and offer landowners in additional watersheds the opportunity to enroll.

In February 2007, North Carolina submitted a proposal to expand CREP into five additional watersheds: the Cape Fear, Lumber, White Oak, Yadkin-PeeDee, Roanoke and Pasquotank river basins. As CREP expanded to different topographic regions of the state, the agricultural needs of the landscape changes. Therefore, to supplement current CREP practices, North Carolina requested to offer the following practice to all CREP regions:

- CP 3 Tree Planting (Short Leaf Pine Only)
- CP31 Bottomland Timber Establishment on Wetlands



~ Gates County

Prior to being able to expand CREP into additional watersheds, a Programmatic Environmental Assessment (PEA) had to be completed per USDA policy. The Division was granted the use of \$30,000 appropriated funds to complete the required PEA. There were findings of no significant impact from the requested changes to CREP thus an environmental impact statement did not need to be prepared. The new CREP amendment was approved.



DENR and USDA hosted a press event on May 28, 2008 to announce this expansion and the new practices that would be available for the agricultural community. Sixty-eight attendees participated in the event held at the NC Museum of Natural Science. Those that were in audience included Lana Nesbit, FSA National CREP Program Manager; Keith Weatherly, FSA State Executive Director; Mary Combs, NRCS State Conservationist; DENR Secretary William Ross; Wib Owen, Director of the Division of Forest Resources; NC Grange, NC Farm Bureau and many other interested parties. The expansion announcement was publicized in various media outlets. The press event generated news stories from Carteret County News-Times; Richmond County Daily Journal; NC News Network Radio; WFAE Charlotte; and NBC-17 Raleigh. Press releases from DENR were sent via the Associated Press.

DENR Secretary William Ross ~



Wilson County ~

The N.C. General Assembly has continued to support the expansion of CREP. The Division of Soil and Water Conservation received \$585,000 for FY09 in addition to the funds appropriated the previous two fiscal years. The DSWC also received another grant from the Clean Water Management Trust Fund in the amount of \$6,506,000 for easement acquisition and administration. The DSWC is excited about the support and future of CREP in North Carolina.

During the 2008 federal program year, the state received 49 new contracts for conservation easements. This included 664 acres in 30-year easements and 443 acres in permanent easements. While the State is pleased with these accomplishments, we are aware of additional needs that CREP has the potential to address. DSWC looks forward to continuing to work with our partners and landowners.

Although interest has increased in both the original areas as well the new expansion areas, enrollment has been generally slow. The expansion of CREP has not had the volume of sign-up as anticipated. There are many speculations as to why this has occurred. One is the timing of when landowners within the expanded area became eligible to enroll. During the spring of the year, many farmers were concentrating on their farming operation. We see this trend throughout all of the programs the DSWC offers. We believe we will see interest increase this fall. The second challenge that program was facing are the rise of crop prices. Many farmers are not taking even their marginal land out of production. The Farm Service Agency has also seen a decline in enrollment in continuous CRP as well as CREP.

North Carolina CREP Area



Local Training Initiatives

In March 2008, four CREP training sessions were held across the state. These were joint trainings between USDA, Farm Service Agency, Natural Resource Conservation Service, Division of Forest Resources, and Division of Soil and Water Conservation. The presentations and materials included agency roles and responsibilities, administrative procedures, technical requirements, and easement acquisition procedures. There were approximately 415 attendees from the presenting agencies, soil and water conservation district staff, and other interested parties.

During this training opportunity, the presenters stressed numerous times the importance of communicating with local agency staff. This will ensure the landowners request would be processed in a timely manner and decrease any landowner confusion that may inadvertently occur. The partners highly recommended that the initial visit to the site be coordinated with the landowner and all partnering agencies. Although scheduling can be a challenge, this method has proven to be one of the best opportunities for the landowner to understand the process that is required, the technical recommendations, and the easement options. However, most importantly everyone is present to hear the landowners goals and objectives for his property. We have had several counties conduct CREP business in this manner and they all have stated that it is beneficial to operate this way. It made the CREP contract go through the process with ease and made the experience easier for the landowner.

The training sessions in March were very well attended and full of important information. However, the DSWC as well as NRCS were made aware that a more hands-on approach would be beneficial. In a joint effort, three trainings were held to address these needs. These trainings were for three to four counties each and recommended that all local agency staff involved with CREP attend. The first part of the day was spent in the field identifying potential CREP sites. The discussions revolved around various technical standards as well as qualifying source determinations. The second part of the day was used to discuss the roles and responsibility of each agency, the process as well as the potential to market CREP in their county. These mini-trainings were well received by staff. The DSWC is committed to continue these small one-one training sessions with our partnering agencies as we continue to implement CREP in North Carolina.



~ Lenoir County

Easement Stewardship

The NC DENR Stewardship Program has responsibility for long-term stewardship of lands with conservation easements held by the State of North Carolina, including the CREP Conservation Easements. State appropriated and/or grants funds are transferred into the CREP stewardship endowment as easements are acquired. Amount of funds needed to provide adequate oversight of the property are based on the term of the easement.



~Picture by NCSU CREP Monitoring Staff

This past fiscal year 6,200 acres were monitored through the assistance of the local Soil and Water Conservation Districts. No easement violations were discovered however there were two sites damaged by wildfire. NC Division of Forest Resources will provide recommendation regarding the replanting of the trees. The Division of Soil and Water Conservation will continue to work with the Stewardship Program to ensure violations do not occur.

Monitoring CREP Buffers

The Division has renewed the NC State University contract to monitor the water quality benefits from CREP sites. This contract will result in a total of six years of hydrology and water quality monitoring on two CREP sites and five years of hydrologic and water quality data from another CREP site. This data provides information on how buffers with various widths and vegetation on agricultural streams affect water quality as they mature.

A geologic survey was conducted at two of the CREP sites, with the assistance of NCDENR-DWQ- Aquifer Protection Section. Based on the results of this survey, 11 deep wells (15-30 ft deep) were installed at the sites. These wells will assist in understanding how deeper groundwater interacts with the more shallow groundwater within these buffers. With all of this additional information, NC State University will be able to assist the DSWC with recommendations for improving criteria for future enrollments. This information will also provide an invaluable long-term dataset on elements that affect buffer performance on an agricultural landscape. A website for the CREP Monitoring project is in the development stage. In its current form it can be viewed at <http://www.bae.ncsu.edu/topic/riparian-buffers/>.

Water Quality Benefits

Based on estimates of the environmental benefits of installed practices NC CREP estimates the following nutrient and sediment reduction benefits:

Number of Acres Affected by BMP	Sediment Reduction	Nitrogen Reduction	Phosphorus Reduction
33,059.42	237,475 tons/yr	1,885,639 lbs/yr	434,170 lbs/yr

Nitrogen and phosphorus estimates were calculated using the North Carolina Agricultural Nutrient Assessment Tool (NCANAT). Tons of soil saved were calculated using the Revised Universal Soil Loss Equations (RUSLE).

Permanent Easements Enrollment Increases

During the beginning phases of creating CREP in NC, the Clean Water Management Trust fund and the Division of Soil and Water Conservation agreed that the goal of CREP State Incentive program would be to have 50% of enrollments in a permanent conservation easement. The easement payment as well as cost share payments are structured such that those landowners that choose a permanent easement receive a larger amount of compensation. However, early in the program landowners seemed to shy away from the perpetual easements.



~Washington County

Over time, landowners have become more informed about conservation easements, what they are and what they are not. This education effort has been implemented by several government agencies as well as non-profit groups throughout North Carolina. Because of these efforts, the Division is excited to report that 46% of the CREP conservation easements received and closed were permanent. These enrollments were small in acreage, but more importantly it represents approximately four stream miles that is now permanently protected.

In an effort to continue this success, current enrollees that only have a term contract with FSA or a 30-year easement will be allowed the opportunity to upgrade to a permanent easement. These landowners will then also have the chance to enroll existing forest land if eligible. Promotion of the upgrade opportunity will continue through direct mail and public outreach events.

Preserving Existing Forested Land



Halifax County ~

As an incentive for landowners to enroll in a permanent conservation easement, the CREP State Incentive offers the enrollment of existing riparian forest land.

These acreages do not meet eligibility for CRP and are not enrolled in the federal portion of CREP. The ratio of existing forested land enrolled to eligible cropland enrolled under the CREP shall not exceed 1:1.

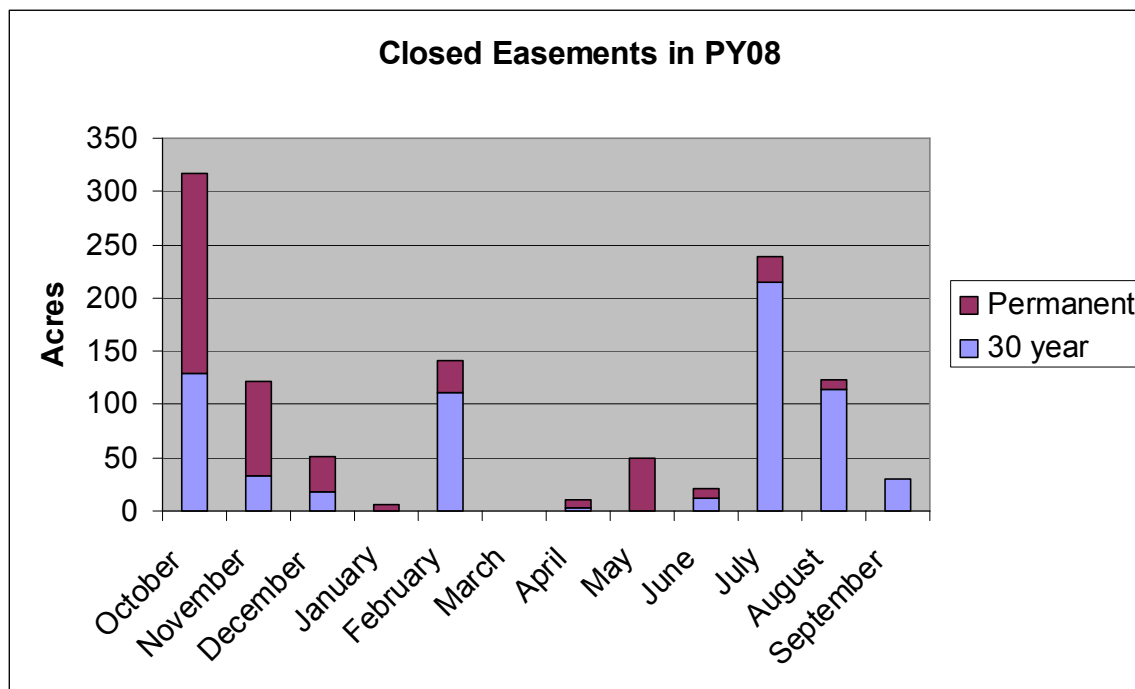
During this program year, we were able to finalize conservation easements for 154 acres of existing forest land. This opportunity continues to be an attractive incentive for landowners to enter into a permanent easement. We anticipate additional existing forests to be included in the CREP State Incentive requests this coming year.

Summary of CREP Enrollments

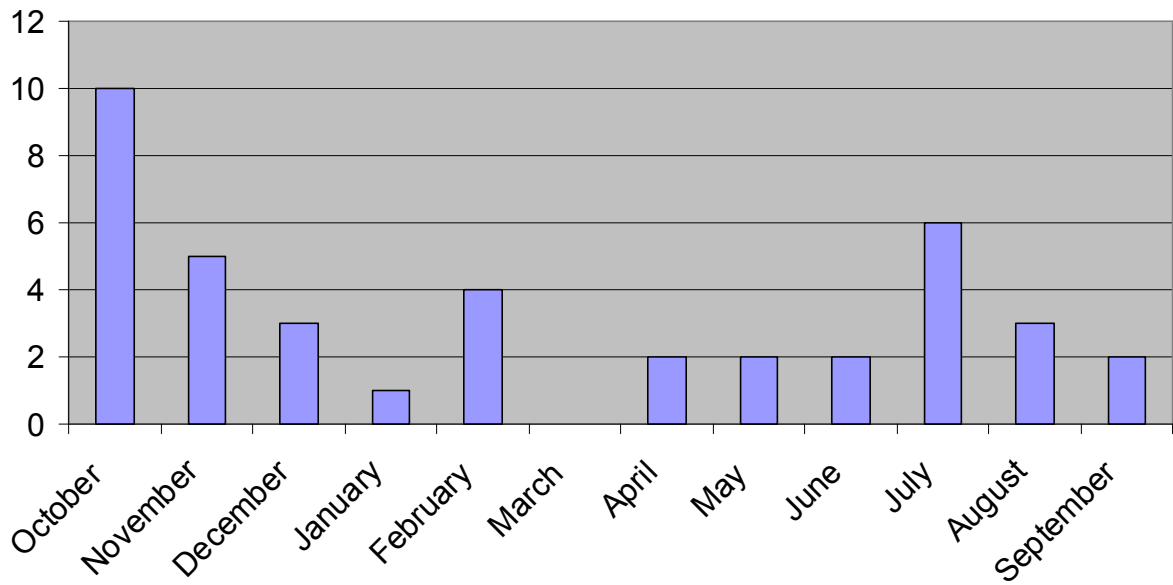
CREP has protected 881 stream miles through implementing buffer and wetland practices. Of this area, 684 stream miles are in long-term conservation easements.

Enrollments During Program Year 2008

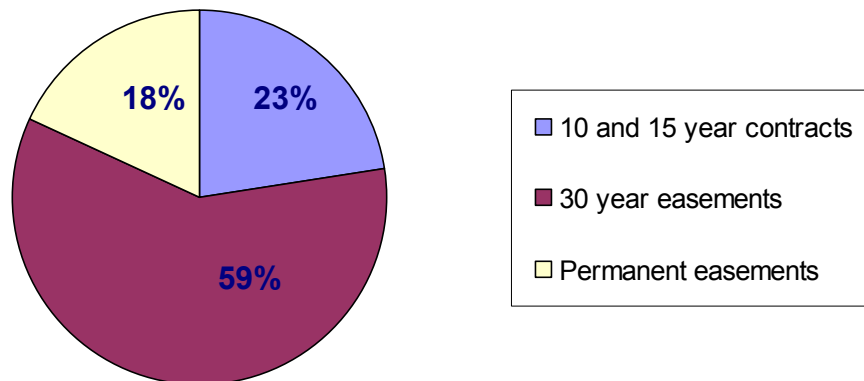
	Program Year 2008		Cumulative	
	Number of Acres	Estimated Federal Cost Share	Number of Acres	Estimated Federal Cost Share
CP3	55.3	\$8,912	55.3	\$8,975
CP3A	195.6	\$28,584	1351.5	\$141,441
CP21	5.5	\$585	2000.4	\$477,968
CP23	122.3	\$13,043	1973.4	\$311,818
CP22	42.5	\$6,786	26252.2	\$1,983,108
Total	418.7	\$57,710	32,032.8	\$2,923,310



Monthly Easement Closing Summary



Length of Protection Summary 1999-2008



NC CREP 2008 Summary by County

County	Program Year 2008			Cumulative to Date			
	Number of Contracts	Number of Acres	Miles of Buffer**	Number of Contracts	Number of Acres	Miles of Buffer*	Total Acreage in long-term easements
Alamance	0	0	0.00	1	2	0.06	0.00
Beaufort	10	57.5	1.58	138	1892.5	52.04	1192.43
Bertie	*	0	0.00	66	554	15.24	30.10
Caswell	0	0	0.00	2	10.2	0.28	0.00
Chatham	0	0	0.00	1	30.7	0.84	30.70
Chowan	*	0	0.00	52	381.4	10.48	154.78
Craven	0	0	0.00	101	1833.9	50.40	1575.56
Durham	0	0	0.00	1	3	0.08	6.14
Edgecombe	5	61.3	1.68	225	3363.6	92.50	2539.41
Gates	*	0	0.00	127	1659.1	45.62	1566.32
Granville	*	0	0.00	33	412.4	11.34	218.82
Greene	4	65.4	1.80	112	817.5	22.48	424.09
Halifax	*	0	0.00	288	4575.2	125.80	4042.80
Hertford	0	0	0.00	124	1770.7	48.69	1522.40
Hyde	4	126.2	3.47	107	4011.9	110.33	3896.07
Johnston	0	0	0.00	116	655.2	18.02	191.45
Jones	*	0	0.00	14	234.6	6.45	226.28
Lenoir	0	0	0.00	149	1270.5	34.93	627.14
Martin	*	0	0.00	125	1552.3	42.68	1236.52
Nash	*	0	0.00	48	1,030	28.33	870.34
Northampton	9	48.1	1.32	195	2235.7	61.48	1742.08
Orange	0	0	0.00	1	5.1	0.14	5.10
Pamlico	0	0	0.00	17	242.6	6.67	221.95
Person	0	0	0.00	1	2.4	0.06	0.00
Pitt	*	0	0.00	57	647.7	17.81	440.49
Rockingham	0	0	0.00	5	42.8	1.18	0.00
Vance	0	0	0.00	41	241	6.63	73.80
Wake	0	0	0.00	4	80.4	2.21	1.20
Warren	0	0	0.00	36	1079.1	29.68	977.76
Washington	0	0	0.00	11	570.3	15.68	765.23
Wayne	*	0	0.00	84	472.9	13.00	123.52
Wilson	5	30.9	0.85	58	425.5	11.70	159.66
Total	49	482.1	13.25	2310	32,106	882.80	24,862

* Data not available due to privacy restrictions required by the Farm Security and Rural Investment Act of 2002.

** Estimate of stream miles buffered assumes average width of 300 feet.

Financial Summary

State CREP Expenses PY 2000-2008

	Expended	Remaining Balance*
1. State Bonus Payment for State Option	\$ 7,520,253.20	\$ 8,100,604.79
2. NCACSP Cost Share Payments	\$ 1,762,593.00	0.00
3. Soil and Water Conservation Administrative Fees	\$ 50,725.62	\$ 144,362.05
4. State Administration Expenses	\$ 5,537,124.67	\$ 922,355.29
5. NCACSP Technical Assistance	\$ 1,271,961.00	0.00
6. County Funded Technical Assistance	\$ 1,145,398.00	0.00
7. Operating Support	\$ 1,459,612.00	0.00
8. CREP Pilot Program	\$ 12,000.00	\$ 170,000.00
9. Monitoring	\$ 1,090,624.53	\$ 165,186.06
10. Stewardship	\$ 1,574,513.19	\$ 833,370.69
11. Expansion Administration	\$ 38,595.75	
Total	\$ 21,463,400.96	\$ 10,335,878.88

* Remaining balance from awarded grants and special appropriations from the NC General Assembly.

CREP has a total of 12 staff positions. Previously, the Clean Water Management Trust Fund paid for up to nine positions (two CREP specialist, three paralegals, two attorneys, one registered surveyor and one survey technician). Currently the agreement between the Division and CWMTF is based on transactional costs. CWMTF reimburses the Division per easement closed and on a per-acre cost for surveying. These funds support three employees of the CREP staff, state appropriations support an additional eight employees and one position is supported by a Section 319 grant until November 2008.

The State pays the Districts up to \$11 per acre for administrative costs incurred processing 30-year and permanent enrollments, plus a fee for permanent enrollments.

The N.C. Agriculture Cost Share Program can pay for a portion of all BMPs proposed for CREP.

Thirty-one of 36 Districts in the targeted basins and watershed have technicians whose salaries and operating expenses are paid at 50 percent by the State. The Division has estimated 3.5 FTE's for the current CREP watersheds.

District employees that are paid by the local governments provide technical assistance to CREP. The Division has estimated five FTEs for the current CREP watersheds.

CREP Pilot Program was a partnership with the Tar River Land Conservancy to target potential enrollments in the following counties: Person, Granville, Vance, Warren, Halifax, Franklin, Nash and Edgecombe.

NC CREP has entered into a contract with North Carolina State University to provide the environmental monitoring on CREP sites.

CREP easements will be monitored in conjunction with the DENR Stewardship Program.

NC funded the Programmatic Environmental Assessment needed to complete the expansion proposal.



CREP Total Federal and State Expenditures PY 2000-2008

CRP Payments (Life of Contract)	\$	51,538,294
Total Incentive Payment	\$	1,653,086
Federal Cost Share	\$	2,941,751
State Expenses for CREP Enrollments	\$	21,463,401
Total Program Costs	\$	77,596,532

The total federal and state costs of CREP for program year 2000 through program year 2008 was \$77,596,532. The state contributed a 27% match, thus meeting the requirement for incurring 20% of the total program costs.

The state funds do not include state appropriated and awarded grant funds available, but not yet expended.



CREP
Conservation Reserve
Enhancement
Program

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